

CHILD ADVOCACY SERVICES, INC.
FINANCIAL STATEMENTS
AND
REPORT OF INDEPENDENT
CERTIFIED PUBLIC ACCOUNTANTS
DECEMBER 31, 2011

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date MAR 14 2012

CHILD ADVOCACY SERVICES, INC.

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Justin J. Scanlan, C.F.A., F.I.C.

A LIMITED LIABILITY COMPANY

4769 ST ROCH AVE. NEW ORLEANS, LOUISIANA 70122
TELEPHONE: (504) 288-0050

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Child Advocacy Services, Inc

We have audited the accompanying statement of financial position of Child Advocacy Services, Inc (a non-profit corporation), as of December 31, 2011, and the related statements of activities, functional expenses and cash flows for the year then ended. These financial statements are the responsibility of Child Advocacy Services, Inc's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from the Corporation's 2010 financial statements and, in our report dated February 9, 2011, we expressed an unqualified opinion on those financial statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Child Advocacy Services, Inc as of December 31, 2011, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated February 6, 2012, on our consideration of Child Advocacy Services, Inc's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedules listed in the table of contents are presented for the purpose of additional analysis and is not a required part of the financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations," and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the

underlying accounting and other records used to prepare the financial statements or to the financial statement themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Justin J. Scanlon, CPA, LLC

New Orleans, Louisiana
February 6, 2012

CHILD ADVOCACY SERVICES, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2011

TOTAL
MEMORANDUM ONLY
DECEMBER 31, 2010

ASSETS

Cash	\$ 141,566	\$ 50,092
Certificates of deposit	200,670	199,754
Receivables (Notes A4 and B)		
Grants	133,341	147,558
Other	-	4,012
	<u>133,341</u>	<u>151,570</u>
Property, building and equipment - at cost (Notes A5 and C)	<u>81,290</u>	<u>85,971</u>
Total assets	<u>\$ 556,867</u>	<u>\$ 487,387</u>

LIABILITIES AND NET ASSETS

Accounts payable and accrued liabilities	\$ -	\$ 356
Total liabilities	<u>-</u>	<u>356</u>
Commitment (Note D)	-	-
Net assets		
Unrestricted	556,867	486,805
Temporarily restricted	<u>-</u>	<u>226</u>
Total net assets	<u>556,867</u>	<u>487,031</u>
Total liabilities and net assets	<u>\$ 556,867</u>	<u>\$ 487,387</u>

The accompanying notes are an integral part of this financial statement

CHILD ADVOCACY SERVICES, INC.

STATEMENT OF ACTIVITIES

For the year ended December 31, 2011

	UNRESTRICTED	TEMPORARILY RESTRICTED	TOTAL	MEMORANDUM ONLY For the year ended December 31, 2010
REVENUE				
United Way	\$ -	\$ 154,250	\$ 154,250	\$ 135,250
Grant appropriations	-			994,272
Governmental (Note E)	-	1,026,844	1,026,844	22,089
Other	-	41,557	41,557	49,549
Fund raising, net of direct expense of \$7,864	75,702	-	75,702	76,990
Other	33,538	36,787	70,325	48,605
Contributions	49,009	-	49,009	-
Net assets released from restrictions	<u>1,259,664</u>	<u>< 1,259,664 ></u>	<u>-</u>	<u>1,326,755</u>
Total revenues	<u>1,417,913</u>	<u>< 226 ></u>	<u>1,417,687</u>	
EXPENSES				
Program services				
Court appointed special advocate	846,028	-	846,028	875,004
Children's advocacy center	<u>387,904</u>	<u>-</u>	<u>387,904</u>	<u>340,778</u>
	<u>1,233,932</u>	<u>-</u>	<u>1,233,932</u>	<u>1,215,782</u>
Supportive services				
Management and general	96,094	-	96,094	98,453
Fund raising	<u>17,825</u>	<u>-</u>	<u>17,825</u>	<u>15,368</u>
	<u>113,919</u>	<u>-</u>	<u>113,919</u>	<u>113,821</u>
Total expenses	<u>1,347,851</u>	<u>-</u>	<u>1,347,851</u>	<u>1,329,603</u>
Increase <decrease> in net assets	70,062	< 226 >	69,836	< 2,848 >
Net assets beginning of year	<u>486,805</u>	<u>226</u>	<u>487,031</u>	<u>489,879</u>
Net assets end of year	<u>\$ 556,867</u>	<u>\$ -</u>	<u>\$ 556,867</u>	<u>\$ 487,031</u>

The accompanying notes are an integral part of this financial statement

CHILD ADVOCACY SERVICES, INC.
STATEMENT OF FUNCTIONAL EXPENSES
For the year ended December 31, 2011

<u>PROGRAM SERVICES</u>					<u>TOTAL</u> <u>MEMORANDUM ONLY</u>
	<u>COURT APPOINTED SPECIAL ADVOCATE</u>	<u>CHILDREN'S ADVOCACY CENTER</u>	<u>MANAGEMENT AND GENERAL</u>	<u>FUND RAISING</u>	<u>FOR THE YEAR ENDED DECEMBER 31, 2010</u>
Salaries	\$ 533,913	\$ 238,761	\$ 72,650	\$ 10,860	\$ 843,747
Fringe benefits	118,452	64,552	3,446	2,839	181,355
Occupancy	69,924	29,360	11,031	-	110,955
Travel	35,600	14,657	11	-	52,552
Supplies	24,883	7,137	86	-	34,676
Printing	6,118	2,843	-	-	11,507
Board generated self-support	-	-	-	4,126	3,944
Training	11,085	-	-	-	7,824
Other program expenses	<u>46,053</u>	<u>30,594</u>	<u>8,870</u>	<u>-</u>	<u>83,043</u>
Total expenses	<u>\$ 846,028</u>	<u>\$ 387,904</u>	<u>\$ 96,094</u>	<u>\$ 17,825</u>	<u>\$ 1,329,603</u>

The accompanying notes are an integral part of this financial statement

CHILD ADVOCACY SERVICES, INC.

STATEMENT OF CASH FLOWS

For the year ended December 31, 2011

**MEMORANDUM
ONLY
For the year ended
December 31, 2010**

Increase <decrease> in cash and cash equivalents		
Cash flows from operating activities		
Increase <decrease> in net assets	\$ 69,836	\$ < 2,848>
Adjustments to reconcile increase <decrease> in net assets to net cash provided by <used in> operating activities		
Depreciation	4,681	4,681
Changes in assets and liabilities		
<Increase> decrease in grants receivable	14,217	< 45,291>
<Increase> decrease in other receivables	4,012	3,591
Increase <decrease> in accounts payable and accrued liabilities	<u>< 356></u>	<u>356</u>
Net cash provided by <used in> operating activities	<u>92,390</u>	<u>< 39,511></u>
Cash flows from investing activities		
Purchase of certificates of deposit	<u>< 916></u>	<u>< 1,273></u>
Net cash provided by <used in> investing activities	<u>< 916></u>	<u>< 1,273></u>
Increase <decrease> in cash and cash equivalents	91,474	< 40,784>
Cash and cash equivalents, beginning of year	<u>50,092</u>	<u>90,876</u>
Cash and cash equivalents, end of year	<u>\$ 141,566</u>	<u>\$ 50,092</u>

The accompanying notes are an integral part of this financial statement

CHILD ADVOCACY SERVICES, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2011

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies consistently applied in the preparation of the accompanying financial statements follows

1. Nature of Activities

Child Advocacy Services, Inc. was organized to give voice, healing and security to children in Louisiana, primarily in the Florida parishes region

2. Financial Statement Presentation

The corporation's financial statements are presented in accordance with requirements established by the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) as set forth under FASB ASC 958. Accordingly, the net assets of the corporation are classified to present the following classes: (a) unrestricted net assets, (b) temporarily restricted net assets, and (c) permanently restricted net assets.

The net assets and changes therein are classified as follows:

Unrestricted Net Assets - Contributions and other revenue and expenses for the general operation of its programs.

Temporarily Restricted Net Assets - Contributions and other revenues specifically authorized by the donor or grantor to be used for specific purposes.

Permanently Restricted Net Assets - Contributions subject to donor-imposed stipulations that neither expire by the passage of time nor can be fulfilled and removed by actions of the Corporation pursuant to those stipulations. There were no permanently restricted net assets.

3. Revenue Recognition

Contributed support is reported as unrestricted or restricted depending on the existence of donor stipulations that limit the use of the support. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activity as "net assets released from restrictions."

Grant revenue is recognized as it is earned in accordance with approved contracts.

4. Receivables

The corporation considers accounts receivable to be fully collectible since the balance consists principally of payments due under governmental contracts. If amounts due become uncollectible, they will be charged to operations when that determination is made.

CHILD ADVOCACY SERVICES, INC.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2011

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

5. Property, Building and Equipment

Child Advocacy Services, Inc. records property acquisitions at cost. Donated assets are recorded at estimated value at date of donation.

Depreciation is provided for in amounts sufficient to relate the cost of depreciable assets to operations over their estimated service lives, principally on the straight-line method. Depreciation expense for the year ended December 31, 2011 totaled \$4,681.

It is the policy of the corporation to capitalize all property, furniture, and equipment with an acquisition cost in excess of \$5,000.

6. Cash equivalents

For purposes of the statement of cash flows, the corporation considers all investments with original maturities of three months or less to be cash equivalents.

7. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

8. Fair Values of Financial Instruments

Cash and cash equivalents carrying amounts reported in the statement of financial position approximate fair values because of the short maturities of those investments.

9. Functional Allocation of Expense

The expenses of providing the program and other activities have been summarized on a functional basis in the statement of functional expenses. Certain of those expenses have been allocated among the program and supporting services benefited based on estimates by management of the costs involved.

10. Subsequent Events

The subsequent events of the organization were evaluated through the date the financial statements were available to be issued (February 6, 2012).

11. Total Columns of Combined Statements

Total columns are captioned "Memorandum Only" to indicate that they are presented only to assist with financial analysis. Data in these columns do not present financial position, results of operations or changes in net assets in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

CHILD ADVOCACY SERVICES, INC.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2011

NOTE B - GRANTS RECEIVABLE

The grants receivable consist of the following as of December 31, 2011

Louisiana Commission on Law Enforcement and Administration of Criminal Justice	\$ 37,307
State of Louisiana – Department of Social Services	29,765
Supreme Court - State of Louisiana	55,982
St. Charles Council for Prevention of Child Abuse	5,936
Louisiana Foundation Against Sexual Assault, Inc	1,961
City Court of Hammond	440
Tangipahoa Parish Sheriff's Office	1,950
	<u>\$ 133,341</u>

NOTE C – PROPERTY, BUILDING AND EQUIPMENT

Property, building and equipment at December 31, 2011 consists of the following

Building and improvements	\$ 86,758
Equipment	<u>7,979</u>
	94,737
Less accumulated depreciation	<u>< 43,447 ></u>
	51,290
Land	<u>30,000</u>
	<u>\$ 81,290</u>

NOTE D - COMMITMENT

The corporation leases office space for its administrative office in Hammond and four branch locations in Denham Springs, Jackson, Laplace and Gonzales under noncancelleble agreements accounted for as operating leases. The Gonzales lease expires December 31, 2011. The Hammond lease expires October 31, 2015. The Denham Springs lease expires December 31, 2014. The Jackson and LaPlace offices are leased month-to-month.

Future minimum lease payments are as follows

<u>December 31,</u>	
2012	\$ 34,500
2013	36,000
2014	36,000
2015	<u>15,000</u>
	<u>\$ 121,500</u>

The rental expense for the year ended December 31, 2011 totaled \$56,900

CHILD ADVOCACY SERVICES, INC.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2011

NOTE E - SUMMARY OF FUNDING

Child Advocacy Services, Inc.'s funding for grants consist of the following.

<u>Grants</u>	<u>Periods</u>	<u>Grant Award</u>	<u>Revenue Recognized</u>
<u>Governmental</u>			
State of Louisiana – Office of Community Services			
Children's Trust Fund	7/1/10-6/30/11	\$ 38,000	\$ 20,985
	7/1/11-6/30/12	59,000	29,765
State of Louisiana – Supreme Court	7/1/10-6/30/11	753,106	385,957
	7/1/11-6/30/12	739,828	365,165
City Court of Hammond's Juvenile Drug Court Program	7/1/10-6/30/11	15,000	6,350
	7/1/11-6/30/12	14,000	2,440
Children's Advocacy Centers of Louisiana	1/1/11-12/31/11	10,000	10,000
Louisiana Foundation Against Sexual Assault, Inc	4/1/11-3/31/12	10,696	8,264
Louisiana Commission on Law Enforcement and Administration of Criminal Justice	1/1/11-12/31/11	25,000	25,000
	1/1/11-12/31/11	13,671	13,671
	6/1/10-5/31/11	35,000	16,080
	6/1/11-5/31/12	35,000	20,417
	10/1/10-9/30/11	32,000	24,000
	1/1/11-12/31/11	62,500	62,500
	10/1/11-9/30/12	37,000	9,250
West Feliciana Parish Police Jury	1/1/11-12/31/11	27,000	<u>27,000</u>
Total governmental grants			<u>\$ 1,026,844</u>

NOTE F – RETIREMENT ARRANGEMENT

The Child Advocacy Services, Inc sponsors a deferred compensation plan covering all employees earning over \$5,000 and elect to defer a portion of their salary. The corporation will match 3% of the deferred compensation. The contribution rate remains unchanged from the prior year. The retirement expense for the year ended December 31, 2011 totaled \$6,617.

CHILD ADVOCACY SERVICES, INC.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2011

NOTE G - INCOME TAXES

The Corporation is exempt from corporate income taxes under Section 501(c)(3) of the Internal Revenue Code

NOTE H - FAIR VALUE MEASUREMENT

Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) as set forth in FASB ASC 820-10 requires disclosure of the estimated fair value of certain financial instruments and the methods and significant assumptions used to estimate their fair value. Financial instruments within the scope of FASB ASC 820-10 are included in the table below.

<u>Fair Value Measurement of Reporting Date</u>				
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Certificates of Deposit	\$ 200,670	\$ 200,670	\$ -	\$ -

The assumptions to estimate fair values are as follows:

1. Certificates of deposit carrying amounts reported in the statement of financial position approximate fair values because of the short maturities of the instruments.

The fair value of cash and cash equivalents, accounts payable and accrued liabilities approximate book value at December 31, 2011 due to the short-term nature of these accounts.

NOTE I - BOARD OF DIRECTORS COMPENSATION

The Board of Directors is a voluntary board, therefore, no compensation has been paid to any member.

NOTE J - ECONOMIC DEPENDENCY

Child Advocacy Services, Inc. received the majority of its revenue from funds provided through grants administered by the State of Louisiana. The grant amounts are appropriated each year by the federal and state government. If significant budget cuts are made at the federal and/or state level, the amount of the funds the corporation receives could be reduced significantly and have an adverse impact on its operations. At the time of completion of the examination of the corporation's financial statements, management was not aware of any actions taken that would adversely affect the amount of funds the corporation will receive in the next fiscal year.

The corporation's support through government grants totaled 73% for the year ended December 31, 2011.

SUPPLEMENTAL INFORMATION

CHILD ADVOCACY SERVICES, INC.
STATEMENT OF ACTIVITIES BY PROGRAM
For the year ended December 31, 2011

	<u>COURT APPOINTED SPECIAL ADVOCATE</u>	<u>CHILDREN'S ADVOCACY CENTER</u>	<u>TOTAL</u>
REVENUE			
Direct program revenue			
Grant appropriations	<u>\$ 814,872</u>	<u>\$ 253,529</u>	<u>\$ 1,068,401</u>
Total direct program revenues	814,872	253,529	1,068,401
Unrestricted revenue	<u>119,514</u>	<u>75,522</u>	<u>195,036</u>
Total self-generated revenue	934,386	329,051	1,263,437
United Way	<u>46,438</u>	<u>107,812</u>	<u>154,250</u>
Total revenue	<u>980,824</u>	<u>436,863</u>	<u>1,417,687</u>
EXPENSES			
Salaries	533,913	238,761	772,674
Fringe benefits	118,452	64,552	183,004
Occupancy	69,924	29,360	99,284
Travel	35,600	14,657	50,257
Supplies	24,883	7,137	32,020
Printing	6,118	2,843	8,961
Training	11,085	-	11,085
Other program expenses	<u>46,053</u>	<u>30,594</u>	<u>76,647</u>
Total direct program expenses	846,028	387,904	1,233,932
Support service expenses	<u>77,465</u>	<u>36,454</u>	<u>113,919</u>
Total expenses	<u>923,493</u>	<u>424,358</u>	<u>1,347,851</u>
INCREASE <DECREASE> IN NET ASSETS	<u>\$ 57,331</u>	<u>\$ 12,505</u>	<u>\$ 69,836</u>

CHILD ADVOCACY SERVICES, INC.
STATEMENT OF ACTIVITIES - LOUISIANA
SUPREME COURT TANF PROGRAM

For the year ended December 31, 2011

	For the period January 1, 2011 through <u>June 30, 2011</u>	For the period July 1, 2011 through <u>December 31, 2011</u>	<u>Total</u>
REVENUE			
Grant appropriations	\$ 385,957	\$ 365,165	\$ 751,122
Total revenue	<u>385,957</u>	<u>365,165</u>	<u>751,122</u>
EXPENSES			
Salaries	212,059	218,367	430,426
Fringe benefits	46,730	44,068	90,798
Professional services	1,761	3,254	5,015
Operating expense	38,958	44,138	83,096
Travel	16,912	12,639	29,551
Training	7,451	3,981	11,432
Supplies	18,346	5,037	23,383
Printing/copying	5,610	341	5,951
Admin-TANF	<u>38,130</u>	<u>33,340</u>	<u>71,470</u>
Total expenses	<u>385,957</u>	<u>365,165</u>	<u>751,122</u>
Increase <decrease> in net assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CHILD ADVOCACY SERVICES, INC.

**STATEMENT OF ACTIVITIES -
LOUISIANA BAR FOUNDATION**

For the year ended December 31, 2011

REVENUE

Grant appropriations	\$ 3,128
Total revenue	<u>3,128</u>

EXPENSES

Salaries	3,030
Fringe benefits	<u>324</u>
Total expense	<u>3,354</u>

Increase <decrease> in net assets	< 226 >
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Net assets, beginning of year	<u>226</u>
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Net assets, end of year	<u>\$ -</u>
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CHILD ADVOCACY SERVICES, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the year ended December 31, 2011

	<u>PASS-THROUGH GRANTOR CONTRACT NO.</u>	<u>FEDERAL CFDA NUMBER</u>	<u>TOTAL FEDERAL EXPENDITURES</u>
U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Funds passed through State of Louisiana – Supreme Court TANF Program	-	93 558	\$ <u>751,122</u>
Total U. S. Department of Health and Human Services			<u>751,122</u>
U. S. DEPARTMENT OF JUSTICE			
Funds passed through Louisiana Commission on Law Enforcement and Administration of Criminal Justice			
CASA Program	C10-5-010	16 575	24,000
CASA Program	C11-5-010	16 575	9,250
Child Advocacy Program	C10-5-011	16 575	62,500
Child Advocacy Program	C09-8-022	16 575	25,000
Child Advocacy Program	C09-8-018	16 575	16,080
Child Advocacy Program	C10-8-008	16 575	20,417
Child Abuse Counseling Program	C10-7-009	16 575	13,671
Funds passed through the National Children's Alliance Child Abuse Program	1-HIAMM-LA-SA11	16 543	10,000
Funds passed through Louisiana Foundation Against Sexual Assault, Inc			
Sexual Assault Program	-	16 017	<u>8,264</u>
Total U. S. Department of Justice			<u>189,182</u>
TOTAL FEDERAL AWARDS			<u>\$ 940,304</u>

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

A. Presentation of Financial Statements

The accompanying Schedule of Expenditures of Federal Awards has been prepared on the accrual basis of accounting. Grant revenues are recorded, for financial reporting purposes, when Child Advocacy Services, Inc. has met the cost of reimbursement or funding qualifications for the respective grants.

B. Non-federal Contributions

The non-federal contribution relating to programs funded by the Louisiana Commission on Law Enforcement and Administrators of Criminal Justice for the year ended December 31, 2011 totaled \$42,730.

Justin J. Scanlan, C.P.A., T.E.C.

A LIMITED LIABILITY COMPANY

4769 ST ROCH AVE

NEW ORLEANS, LOUISIANA 70122

TELEPHONE: (504) 288-0050

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Independent Auditor's Report

Board of Directors
Child Advocacy Services, Inc

We have audited the financial statements of Child Advocacy Services, Inc (a non-profit corporation), as of and for the year ended December 31, 2011, and have issued our report thereon dated February 6, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Child Advocacy Services, Inc 's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Child Advocacy Services, Inc 's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Child Advocacy Services, Inc 's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Child Advocacy Services, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and

material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

This report is intended solely for the information and use of the audit committee, management, others within the entity, Louisiana Legislative Auditor, Board of Trustees and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Justin J. Parker, CPA, LLC

New Orleans, Louisiana
February 6, 2012

Justin J. Scanlan, C.P.A., T.T.C.

A LIMITED LIABILITY COMPANY

4769 ST ROCH AVE.

NEW ORLEANS, LOUISIANA 70122

TELEPHONE (504) 288-0050

REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Independent Auditor's Report

Board of Directors
Child Advocacy Services, Inc

Compliance

We have audited Child Advocacy Services, Inc's compliance with the types of compliance requirements described in the "OMB Circular A-133 Compliance Supplement" that could have a direct and material effect on each of Child Advocacy Services, Inc's major federal programs for the year ended December 31, 2011. Child Advocacy Services, Inc's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Child Advocacy Services, Inc's management. Our responsibility is to express an opinion on Child Advocacy Services, Inc's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and OMB Circular A-133. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Child Advocacy Services, Inc's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Child Advocacy Services, Inc's compliance with those requirements.

In our opinion, Child Advocacy Services, Inc complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2011.

Internal Control Over Compliance

Management of Child Advocacy Services, Inc is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Child Advocacy Services, Inc's internal control over compliance with requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Child Advocacy Services, Inc's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be *material weaknesses*, as defined above.

This report is intended solely for the information and use of the audit committee, management, Louisiana Legislative Auditor, Board of Directors, others within the organization, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Justin J. Scanlon, CPA, LLC

New Orleans, Louisiana
February 6, 2012

CHILD ADVOCACY SERVICES, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the year ended December 31, 2011

A. SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued

Unqualified

Internal control over financial reporting

- Material weakness(es) identified? ☐ yes ☒ no
- Significant deficiency(ies) identified? ☐ yes ☒ none reported
- Noncompliance material to financial statements noted? ☐ yes ☒ no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? ☐ yes ☒ no
- Significant deficiency(ies) identified? ☐ yes ☒ none reported

Type of auditor's report issued on compliance for major programs.

Unqualified

Any audit findings disclosed that are required to be reported
in accordance with Section 510(a) of OMB Circular A-133? ☐ yes ☒ no

Identification of major programs

CFDA Number

Name of Federal
Program or Cluster

U S Department of Health and
Human Services
Passed through State of Louisiana
Supreme Court:
TANF Program

93 558

Dollar threshold used to distinguish between type A and B
programs

\$300,000

Auditee qualified as low-risk auditee?

☒ yes ☐ no

CHILD ADVOCACY SERVICES, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED

For the year ended December 31, 2011

B. FINANCIAL STATEMENT FINDINGS

There were no findings related to the financial statements for the year ended December 31, 2011

C. FINANCIAL AWARD FINDINGS AND QUESTIONED COSTS

There were no items identified in the course of our testing during the current year required to be reported

D. STATUS OF PRIOR YEAR AUDIT FINDINGS

There were no prior year audit findings